

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.,¹)
) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** June 15, 2005,
 at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL
ENVIRONMENTAL COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE
SIXTEENTH MONTHLY INTERIM PERIOD FROM JANUARY 1, 2005, THROUGH
MARCH 31, 2005**

Name of Applicant: Latham & Watkins LLP ("L&W")

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in Possession

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001.

Period for which compensation and reimbursement
is sought: January 1, 2005 through March 31, 2005

Amount of Compensation sought as actual,
reasonable and necessary: \$85,502.50

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: \$1,103.82

This is a(n) monthly, X interim, final application.

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 3 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$1,200.00.

This is the first application for interim compensation of services for the January - March 2005 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2003 – June 2004	\$211,719.00	\$6,927.50	All fees approved	\$6,897.50 approved
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	All fees approved	All expenses approved
On or about October 25, 2004	August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004	\$81,729.50	\$5,199.44	All fees approved	All expenses approved
On or about November 25, 2004	October 1, 2004– October 30, 2004	\$45,050.00	\$1,825.59	Awaiting approval	Awaiting approval
On or about December 25, 2004	November 1, 2004– November 30, 2004	\$31,913.50	\$1,509.91	Awaiting approval	Awaiting approval
On or about January 22, 2005	December 1, 2004 – December 31, 2004	\$26,177.50	\$1,282.35	Awaiting approval	Awaiting approval
On or about February 23, 2005	January 1, 2005 – January 31, 2005	\$23,485.50	\$314.93	Awaiting approval	Awaiting approval
On or about May 19, 2005	October 1, 2004 – December 31, 2004	\$103,141.00	\$4,617.85	Awaiting approval	Awaiting approval
On or about May 23, 2005	March 1, 2005 – March 31, 2005	\$39,952.00	\$160.88	Awaiting approval	Awaiting approval

The hearing for the Quarterly Applications for the interim period January 1, 2005 through March 31, 2005 has not yet been scheduled.

The L&W attorneys who rendered professional services in these cases during the Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	15	Environmental	510.00	89.40	\$45,594.00
Laurie D. Matthews	Contract Associate	10	Environmental	485.00	73.60	35,696
Jeffrey P. LeJava	Associate	7	Environmental	415.00	5.00	2,075.00
David Becker	Associate	6	Environmental	400.00	.30	120.00

Steven E. Savage	Associate	2	Litigation	295.00	6.20	1,829.00
Total for Attorneys					174.50	\$85,314.00

The L&W legal assistants who rendered professional services in these cases during the Fee Period is:

Name of Legal Assistant	Position with the Applicant	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Elsie Zecchino	Specialist	Environmental	185.00	0.50	\$92.50
Sabrina Tyjer	Paralegal	Environmental	160.00	0.60	96.00
Total for Legal Assistants				1.10	\$188.50

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
029016-0001	Hatco Remediation	164.4	\$81,598.50
029016-0003	Special Counsel Fee Application	11.2	3,904.00
Total		175.6	\$85,502.50

Expense Summary for Hatco Remediation

Description	Amount
Telephone	\$294.75
Facsimile Services	5.00
Photocopying	253.45
Secretarial Overtime	390.00
Federal Express	28.49
Meals	103.35
Calling Card	0.90
Postage	0.37
Total	\$1,076.31

Expense Summary for Special Environmental Counsel Application

Description	Amount
Telephone	\$5.76
Photocopying	21.75

Total	\$27.51
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Project Category Breakdown

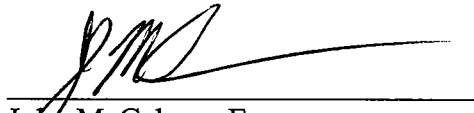
Category	16 th Quarter	Cumulative through 16 th Quarter
Category Code 11 – Fee Applications, Applicant	\$ 3,904.00	
Category Code 24 – Other	\$81,598.50	\$596,567.50
PROJECT CATEGORY – TOTAL FEES	\$85,502.50	\$596,567.50
PROJECT CATEGORY – TOTAL EXPENSES	\$1,103.82	\$22,667.78
PROJECT CATEGORY – TOTAL FEES AND EXPENSES	\$86,606.32	\$619,235.28
FEE APPLICATION - TOTAL FEES	\$85,502.50	\$596,567.50
FEE APPLICATION – TOTAL EXPENSES	\$1,103.82	\$22,667.78
FEE APPLICATION – TOTAL FEES AND EXPENSES	\$86,606.32	\$619,235.28

WHEREFORE, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of \$85,502.50 for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (\$1,103.82); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Newark, New Jersey
Dated: May 24, 2005

Respectfully submitted,

LATHAM & WATKINS LLP



John McGahren, Esq.
Latham & Watkins LLP
One Newark Center, 16th Floor
Newark, New Jersey 07101
(973) 639-1234